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UNCLAS ANKARA 004495

SIPDIS

USDOC FOR 4212/ITA/MAC/CPD/DDEFALCO

E.O. 12958: N/A

TAGS: [FAIR](#) [BEXP](#) [TU](#)

SUBJECT: TURKISH AIRLINES TO PURCHASE EIGHT MORE BOEINGS CRAFT

[1](#)1. SUMMARY: TURKISH AIRLINES ANNOUNCED LAST MONTH THAT IT HAD ORDERED AN ADDITIONAL EIGHT 737-800 AIRCRAFT FROM BOEING CO., EXERCISING AN OPTION RELATED TO AN ORDER OF 15 AIRCRAFT IN 2004. END SUMMARY.

[1](#)2. TURKISH AIRLINES ANNOUNCED ON JULY 1 ITS ORDER OF AN ADDITIONAL EIGHT 737-800 AIRCRAFT FROM BOEING CO., PART OF ITS STATED PLAN TO MORE THAN DOUBLE ITS FLEET IN COMING YEARS. LAST YEAR TURKISH AIRLINES ANNOUNCED PLANS TO PURCHASE 15 737-800'S AND TOOK AN OPTION TO BUY ANOTHER EIGHT, AS WELL AS ORDERING 36 AIRCRAFT FROM AIRBUS. THE EIGHT PLANES ARE VALUED AT \$524 MILLION AT LIST PRICE.

[1](#)3. TURKISH AIRLINES HAS MAINTAINED A MIXED INVENTORY OF BOEING AND AIRBUS AIRCRAFT, BUT LAST YEAR'S PURCHASES TIPPED THE BALANCE IN FAVOR OF AIRBUS. TURKISH AIRLINES HAS A PROPENSITY TO SELECT AIRBUS WIDE-BODIES FOR LONG-RANGE INTERNATIONAL ROUTES, BUT HAS FAVORED THE BOEING 737 FOR INTRA-EUROPEAN, MIDDLE EAST, CENTRAL ASIA, AND DOMESTIC FLIGHTS. THE 737-800 IS THE AIRPLANE OF CHOICE AT THY TO INCREASE FLIGHT RANGE VIS-A-VIS ITS EXISTING FLEET.

[1](#)4. THE GOT FLOATED 25 % OF TURKISH AIRLINES SHARES AS A PUBLIC OFFERING ON THE ISTANBUL STOCK MARKET AT THE END OF [1](#)2004. THE GOT HAS SAID IT PLANS ADDITIONAL OFFERINGS OF THY UNDER ITS IMF-BACKED PRIVATIZATION PROGRAM, BUT HAS NOT SET UP A FIRM TIMETABLE.

McEldowney